

**Risk Management Fund / 5520**

		<b>2004 Actual<sup>1</sup></b>	<b>2005 Adopted<sup>2</sup></b>	<b>2005 Estimated</b>	<b>2006 Proposed</b>	<b>2007 Projected</b>	<b>2008 Projected</b>
<b>LOSSES LIMITED TO \$1 MILLION</b>	<b>Beginning Fund Balance</b>	6,497,369	1,644,380	8,545,861	10,189,492	6,369,421	2,123,140
	<b>Revenues</b>						
	* Interfund Charges <sup>3</sup>	22,200,351	22,627,931	22,627,930	22,828,408	24,066,358	28,219,237
	* Interest Income	1,257,741	1,588,593	1,831,867	1,600,000	1,760,000	1,936,000
	* Other Miscellaneous Revenues	452,998					
	<b>Total Revenues</b>	<b>23,911,090</b>	<b>24,216,524</b>	<b>24,459,797</b>	<b>24,428,408</b>	<b>25,826,358</b>	<b>30,155,237</b>
	<b>Expenditures</b>						
	* Claims Costs (limited to first \$1 million)	(9,931,593)	(13,057,353)	(11,083,409)	(14,777,534)	(15,684,474)	(16,647,416)
	* Insurance Premiums	(9,953,694)	(3,551,301)	(3,551,301)	(9,786,716)	(10,765,388)	(11,841,926)
	* Prosecutors and ORM Overhead	(3,109,255)	(3,118,665)	(3,118,665)	(3,527,213)	(3,445,581)	(3,589,792)
	* Transfers to Other Funds (MARR & Cat. Loss Prog)	(266,920)	(274,928)	(274,928)	(274,928)	(288,674)	(303,108)
	* Encumbrance Carryover			(992,172)			
	<b>Total Expenditures</b>	<b>(23,261,462)</b>	<b>(20,002,247)</b>	<b>(19,020,475)</b>	<b>(28,366,391)</b>	<b>(30,184,118)</b>	<b>(32,382,243)</b>
	<b>Estimated Underexpenditures</b>						
	<b>Other Fund Transactions</b>						
<b>CATASTROPHIC LOSS RESERVES (above the \$1 Million per occurrence threshold)</b>	* Adjustments for Incurred Losses <sup>4</sup>	(2,648,130)	(321,747)	(2,295,691)	117,912	111,479	103,865
	* Other Expenditures/Transfer	(452,998)	(1,500,000)	(1,500,000)			
	* Reserve for Encumbrance Carryover	(992,172)					
	<b>Total Other Fund Transactions</b>	<b>(4,093,300)</b>	<b>(1,821,747)</b>	<b>(3,795,691)</b>	<b>117,912</b>	<b>111,479</b>	<b>103,865</b>
	<b>Ending Undesignated Fund Balance</b>	<b>3,053,697</b>	<b>4,036,910</b>	<b>10,189,492</b>	<b>6,369,421</b>	<b>2,123,140</b>	<b>0</b>
	<b>Beginning Cash Balance</b>	14,864,857	12,839,424	11,679,967	13,578,268	13,978,268	14,697,001
	<b>Revenues</b>						
	* Insurance Recoveries	2,075,734	0	0	0	0	0
	* Interest Income	283,754	411,407	398,301	400,000	718,733	799,641
	* Other Adjustments-Transfer from Reg. Prog.		1,500,000	1,500,000			
	<b>Total Revenues</b>	<b>2,359,488</b>	<b>1,911,407</b>	<b>1,898,301</b>	<b>400,000</b>	<b>718,733</b>	<b>799,641</b>
	<b>Expenditures</b>						
	* Claims Costs > \$1.0 million Threshold	(5,544,378)	0	0	0	0	0
	<b>Total Expenditures</b>	<b>(5,544,378)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Ending Fund Balance</b>	<b>11,679,967</b>	<b>14,750,831</b>	<b>13,578,268</b>	<b>13,978,268</b>	<b>14,697,001</b>	<b>15,496,642</b>
	<b>Less: Reserves &amp; Designations</b>						
	* Reserved for Losses Over \$1Million <sup>5</sup>		(19,666,000)	(19,956,000)	(19,956,000)	(19,956,000)	(19,956,000)
	<b>Total Reserves &amp; Designations</b>	<b>0</b>	<b>(19,666,000)</b>	<b>(19,956,000)</b>	<b>(19,956,000)</b>	<b>(19,956,000)</b>	<b>(19,956,000)</b>
	<b>Ending Undesignated Fund Balance</b>	<b>11,679,967</b>	<b>(4,915,169)</b>	<b>(6,377,732)</b>	<b>(5,977,732)</b>	<b>(5,258,999)</b>	<b>(4,459,358)</b>

**Financial Plan Notes:**

This financial plan is significantly affected by annual updates to actuary estimates of incurred claims. Its financial portrayal of the Insurance Fund is based on the 2005 actuary report that revised estimates of losses for policy years 1990-2004.

<sup>1</sup> Based on 2004 CAFR.

<sup>2</sup> 2005 Council Adopted Budget.

<sup>3</sup> Rates are projected to increase 1% from 2005 to 2006; 6% from 2006 to 2007; 16.7% from 2007 to 2008.

<sup>4</sup> Difference between actuary's estimate of incurred losses vs. actual expense for limited losses.

<sup>5</sup> Per actuary's estimates; assumed \$2.5 million Self Insured Retention (SIR).